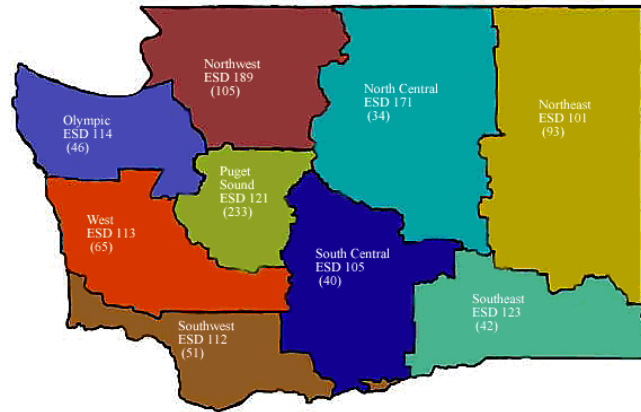


DRAFT Test Proposal #2: Regional Excess M&O Levies

- No longer run individual district excess M&O levies.
- Instead, replace with regional excess M&O levies based on Educational Service District Boundaries.
- LEA would still operate, allocated on a regional basis, under same formula in statute.
- Regions would allocate the funding. Districts receive same combined amount of levy and LEA revenue as they would under current law.



Current District M&O & LEA Revenues Under a Regional Model, Under Year 2010

| # | ESD Name | Regional Assessed Value | Estimated Voter Approved Levy | Estimated LEA | Regional Tax Rate (\$/\$1,000) | Districts with Tax Drop | Districts with Tax Increase |
|----------------------------|------------------|-------------------------|-------------------------------|----------------|--------------------------------|-------------------------|-----------------------------|
| 101 | NE WA | \$52,431 m | \$141 m | \$40 m | \$2.69 | 20 | 39 |
| 105 | South Central WA | \$25,344 m | \$54 m | \$40 m | \$2.11 | 10 | 15 |
| 112 | SW WA | \$61,918 m | \$146 m | \$33 m | \$2.36 | 10 | 20 |
| 113 | West WA | \$55,283 m | \$120 m | \$14 m | \$2.17 | 21 | 23 |
| 114 | Olympic | \$44,420 m | \$81 m | \$3 m | \$1.83 | 6 | 9 |
| 121 | Puget Sound | \$511,617 m | \$830 m | \$0 | \$1.62 | 23 | 12 |
| 123 | SE WA | \$28,191 m | \$85 m | \$37 m | \$3.02 | 7 | 16 |
| 171 | North Central | \$29,701 m | \$59 m | \$13 m | \$1.97 | 13 | 16 |
| 189 | NW WA | \$161,576 m | \$311 m | \$0 | \$1.92 | 20 | 15 |
| State Total/Average | | \$970,481 m | \$1,827 m | \$179 m | \$1.88 | 130 | 165 |

Assumptions:

1. Districts all receive the same amount of revenue as their currently receive, from voter approved levies and LEA.
2. Regions run a levy that is the summation of the current amount of Voter Approved Levy (VAL) Revenues (excluding rollback).
3. In the model, VAL is increased to adjust for districts currently receiving LEA; however, as a region, would not receive LEA. (This allows for an apples to apples comparison of tax rates changes by individual district).
4. For districts that currently do not run M&O levies. The model acts as if they did, at the region's average percentage for M&O Levies. This assumes that if the district's tax payers are paying into the regional levy, they will want their individual district to receive funds.
5. Assumes the current 24% or grandfathered amount to show changes if implemented in the year 2010.